



Water Infrastructure Finance Authority of Arizona

NEWS RELEASE

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President's Budget Plan Cuts Clean Water Funds for States

PHOENIX – Water Infrastructure Finance Authority Chairman Steve Owens today expressed great concern about President Bush's proposed Federal Year 2007 budget ("FY2007"), released on Monday, Feb. 6, which contains further cuts to the clean water state revolving fund ("CWSRF") programs. The President's budget slashes funding to states to finance clean water infrastructure projects by nearly twenty-three percent (23%) from the appropriated levels in 2006.

"The Administration's recommendation to further cut critical funding for water infrastructure is terribly short-sighted and will hit rural areas particularly hard," said Owens, who also is Director of the Arizona Department of Environmental Quality. "Arizona already has been short changed for years by Congress. If the President's proposed budget is enacted, we will have even less money to help Arizona communities address their water infrastructure needs, especially communities in rural Arizona."

The FY2007 budget recommends \$688 million to fund capitalization grants provided to the states CWSRF programs. Under the President's budget, Arizona's allocation would be cut by nearly \$1.3 million, falling from over \$6 million this year, down from \$887 million appropriated for this FY2006, to \$4.7 million in 2007. Since the President took office, WIFA's capitalization grant has been reduced overall by over 50%.

Arizona continues to rank at the bottom of the list when it comes to clean water funding per capita. Arizona also ranks 52nd out of the 50 states and territories when funding is compared per dollar of identified need.

"Arizona is the second-fastest growing state in the country, and there already is tremendous stress on our infrastructure," added WIFA Executive Director Jay Spector. "Not only are our communities growing, but we have infrastructure in need of upgrade and replacement."

WIFA conservatively estimates that Arizona's federal capitalization grant should be around \$40 million per year based on the state's infrastructure needs and rapid population growth. The U.S. Environmental protection Agency's Clean Water Needs Survey, which is conducted every four years in all 50 states, estimated that Arizona will have over \$7 billion in clean water needs over the next 20 years.

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ABOUT THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA

The Water Infrastructure Finance Authority of Arizona maintains and improves water quality in Arizona by providing communities and private water systems with access to low-interest financial assistance and technical assistance needed for basic water infrastructure. WIFA's funds are capitalized by contributions from the US Congress and the state of Arizona. As a leader in water infrastructure finance, WIFA has become a premier financial institution both in Arizona and nationally. Visit WIFA's Web site at www.azwifa.gov.